

Message from Group CAE

MESSAGE FROM Chief Audit Executive



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Contributing to the enhancement of SMBC Group's corporate value through audit activities

Driven by heightened geopolitical risks and the growing severity of cyber threats, domestic and overseas business conditions surrounding SMBC Group are becoming more and more complex and uncertain.

Amid such a global landscape, SMBC Group is seeking the new growth areas, through the transformation of our business model through initiatives such as “Olive,” our integrated financial service for retail customers, and the acceleration of our India strategy. Against this backdrop, the need to further enhance the governance framework on the group and the globe and establish robust risk management framework, particularly in areas such as AI utilization and cybersecurity, has become more critical than ever.

The Internal Audit Unit is expected to assess the effectiveness of such internal controls independently from management and other departments, and provide the Board of Directors and other stakeholders with assurance*, advice, and foresights. Expectations for its enhancement are increasing.

Guided by our mission of “Enhancing SMBC Group's Corporate Value through Audit Activities,” we have adopted as our core policy the steady practice of “Audits That Contribute to Management” and are working on a variety of initiatives under the “One Team” mindset across the group and the globe. Specifically, our efforts include deepening our understanding of management's risk perceptions, fostering constructive dialogue with auditee departments, and enhancing audit quality through sharing the best practices and standardized procedures on a global basis. We are also focused on creating an environment that fosters cohesiveness among auditors, across regions and entities. Moreover, we are actively auditing emerging areas that are drawing heightened societal attention and also actively working to utilize generative AI and other technologies.

We will continue to enhance our internal audit capabilities to support SMBC Group's sustainable growth into the future.

* Objective assessment of the operations and processes of auditee departments from an independent standpoint